

Exhibit F

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In Re FACEBOOK PPC) Master Case No.
Advertising Litigation) 5:09-cv-03043 JF
)
This Document Relates To:)
All Actions.)

VIDEOTAPED DEPOSITION OF STEVEN R. PRICE,
taken at 808 Wilshire Boulevard, Suite 300,
Santa Monica, California, commencing at
9:13 A.M., Wednesday, April 13, 2011, before
Wendy S. Schreiber, CSR No. 3558, RPR.

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1 answer the question I asked?

2 MR. GIGNAC: As framed, correct.

3 BY MR. GUTKIN:

4 Q. Have you ever been convicted of a felony?

5 A. No.

09:21:56

6 Q. I'd like to get an understanding of the
7 business or website that you were running that you
8 were advertising on Facebook that led to this
9 lawsuit. Is that drivedownprices.com?

10 A. Yes.

09:22:23

11 Q. Is that the only website or business
12 enterprise you've ever advertised on Facebook?

13 A. Yes.

14 Q. Is that website still operational today?

15 A. No.

09:22:38

16 Q. When was it -- well, first of all, just give
17 me an overview of what the website was and what it
18 did.

19 A. The website enabled essentially people who
20 wanted to sell vehicles either new or used and have
21 a variety of ways with which they could sell those
22 vehicles.

09:22:50

23 Q. So was it like an eBay listing vehicles for
24 sale kind of website or helping people price their
25 vehicles or what did it do for people?

09:23:12

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1 A. Okay, it was multi-functional. There was a
2 listing or you would say a classified style which
3 would be somewhat I would call an eBay or an Auto
4 Trader or cars.com would be a classified listing.
5 We had two other functionalities in addition to 09:23:31
6 that. One was an option to go into an environment
7 where the price would be dropped -- or would be in a
8 descending fashion controlled by the seller through
9 our servers. And the last would be an option to
10 purchase the vehicle at a price you wanted to see if 09:23:52
11 the seller was willing to sell it at.

12 Q. Okay. I didn't quite follow the option to
13 go to an environment where the price would be
14 dropped as controlled by the seller. Can you
15 explain what that part of the website was for me. 09:24:11

16 A. Sure. In that environment basically the
17 seller was allowed to control the starting price,
18 the speed at which that price would change, the
19 amount of the change, a dollar amount, and the time
20 frame with which that sale took place. At any point 09:24:33
21 whoever -- if a buyer chose to say I want that
22 vehicle, then that sale was over.

23 Q. Okay. And was your website involved in
24 carrying out the sale or was it just a matter of
25 connecting the buyer and seller and they handled it 09:25:08

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1 themselves once you connected it? Or how did that
2 work?

3 A. We simply facilitated the price with which
4 both parties agreed to purchase the vehicle.

5 Q. And how -- was there a business that was 09:25:28
6 running this website? A company? Was it you
7 running it personally? Did you have employees
8 helping you or friends helping you? How did that
9 work?

10 A. It was something I was running myself 09:25:38
11 personally.

12 Q. And I thought I heard you say "we" before.
13 I may have misheard. Were you always running it
14 alone? Always just you running the website?

15 A. Yes. 09:25:51

16 Q. And did you -- was there any kind of company
17 that you organized around this or, you know, any
18 formal structure to that?

19 A. I was hoping to.

20 Q. But didn't get to the point of doing it? 09:26:07

21 A. But didn't get to the point where it was
22 viable.

23 Q. What was the dates that the website was up?

24 A. Can you please help me define what you mean
25 by "up"? 09:26:29

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1 Q. Sure. When did the website first become
2 available to Internet users over a web browser?

3 A. Outside of strictly during the period where
4 it was being built?

5 Q. Uh-huh. 09:26:46

6 A. Okay. I would say probably early 2009.

7 Q. And then when -- was it a continuous period
8 that it was available and then stopped being
9 available over the Internet or were there starts and
10 stops? 09:27:06

11 A. During the development period there were
12 stops and starts.

13 Q. Once it came online in early 2009, when did
14 it go offline?

15 A. It went offline 2000 -- essentially it 09:27:18
16 remained up until I took the servers down for
17 financial reasons. That would have been in 2010.

18 Q. Approximately first quarter or middle of the
19 year?

20 A. I actually don't recollect. 09:27:43

21 Q. Okay, just sometime in 2010. How long did
22 -- the initial development before the site came
23 online, how long did that take?

24 A. Probably a year, year and a half.

25 Q. Were you working on that about half your 09:28:05

1 A. Yes.

2 Q. And do you know when that stopped, when your
3 ads on Facebook stopped?

4 A. It would have been in 2009. Late 2009.

5 Q. Okay. And after you stopped running ads on 09:29:56
6 Facebook you spent no more time on the Web site?

7 A. Correct.

8 Q. So you said also that your business plan was
9 built around Facebook so can you explain what you
10 meant by that? 09:30:16

11 A. Basically in understanding the idea that
12 Facebook represents that you can drill down to a
13 very specific set of targeted individuals in the
14 advertising made me believe that you could build a
15 model that could be very cost-effective to identify 09:30:38
16 people in the automotive marketplace who were
17 interested in either buying or selling vehicles.

18 Q. How were you thinking you could find the
19 people who were interested in buying and selling
20 vehicles with Facebook? 09:31:01

21 A. By placing the ads to specific targeted
22 areas.

23 Q. Targeted geographic areas?

24 A. And -- yes, and you also have the option to
25 identify further beyond the geographic realm whether 09:31:13

1 do you mean by that?

2 A. You define a click on the site. I believe
3 it's in your Help section and Glossary of Ad Terms
4 or something like that. It states that a click is
5 when a person clicks through an ad to your landing 09:37:41
6 page. So an invalid click would be one that I'm
7 charged for and the person did not get to my landing
8 page or my website.

9 Q. Okay. Is that the -- the type of click
10 where you're charged but the person clicking does 09:38:06
11 not get to your landing page or website, is that the
12 only type of click that Facebook charged you for
13 that you are claiming in this lawsuit they should
14 not have charged you for?

15 A. Can you rephrase the question or restate the 09:38:25
16 question again? I want to make sure I hear you
17 correctly.

18 Q. You referred to invalid clicks as those
19 where somebody clicks on your ad but does not get to
20 your landing page or website, correct? 09:38:37

21 A. Yes.

22 Q. Are those the only types of clicks that in
23 this lawsuit you are claiming you were charged for
24 but should not have been charged for?

25 A. Yes. 09:38:48

1 THE WITNESS: Yes.

2 BY MR. GUTKIN:

3 Q. And just to be clear, when you say -- when
4 you answered yes that that was a valid click, I'm
5 correct, aren't I, that you are not claiming in this 09:40:39
6 lawsuit that Facebook charged you for clicks that
7 are valid clicks and should not have, correct?

8 MR. GIGNAC: Hold on. Can we have that read
9 back, please? Or you can restate it. I just want
10 to make sure I understand it. 09:40:54

11 MR. GUTKIN: Why don't I try again.

12 MR. GIGNAC: A bunch of negatives in there.

13 MR. GUTKIN: It was a little hard to build
14 that question.

15 Q. You accept that Facebook was appropriately 09:41:03
16 charging you for what you considered to be valid
17 clicks, correct?

18 A. Yes.

19 Q. And you are only in this lawsuit claiming
20 that you were improperly charged for invalid clicks? 09:41:18

21 A. Yes.

22 Q. So if we use those terms throughout the day
23 and you agree with me that some kind of click is a
24 valid click, then you are not claiming in this
25 lawsuit that Facebook wrongfully charged you for 09:41:32

1 something that you clearly state you're not
2 responsible for. I looked at the steps to go
3 through how do you narrow your focus, what are the
4 different options that you have to do that so that I
5 could try and make the best educated positioning of 09:50:06
6 my ads.

7 Q. You mentioned in your last answer the term
8 "click fraud." Can you tell me your understanding
9 of that term, please.

10 A. Click fraud, as I understand it, is a third 09:50:34
11 party that is either maliciously or wrongfully
12 clicking on an ad with improper intent.

13 Q. Are you familiar with the term "bot" as it
14 relates to online advertising?

15 A. Yes. 09:51:04

16 Q. What's your understanding of what a bot is?

17 A. My understanding of a bot is a programming
18 device used by various individuals to determine any
19 number of different factors that may be out there.

20 They may be trying to find what an ad is, what ads 09:51:25
21 are running, who's behind the ads. Google, for
22 instance, I believe uses a form of a bot in its
23 indexing.

24 Q. Is it your understanding that it's possible
25 for a bot to click on an advertisement and arrive at 09:51:45

1 a landing page that's connected to that
2 advertisement?

3 A. Yes.

4 Q. Do you consider that kind of click performed
5 by a bot to be an instance of a valid click or click 09:52:00
6 fraud or an invalid click?

7 MR. GIGNAC: Objection. It's an incomplete
8 hypothetical, calls for speculation, and lacks
9 foundation.

10 But you can answer to the best of your 09:52:13
11 ability.

12 THE WITNESS: If the bot and the associated
13 computer behind it actually makes it through to the
14 landing page, then it is a valid click.

15 BY MR. GUTKIN: 09:52:28

16 Q. Okay. What's your understanding of
17 Facebook's ability to determine after someone clicks
18 on an ad on the Facebook site whether or not they
19 arrive at the advertisers' landing page?

20 A. From my experience? I don't know that they 09:53:14
21 can.

22 Q. Okay. And why do you say that?

23 A. In analyzing the actual number of charges
24 that I received versus the actual number of times
25 that my website or landing page was reached, I had a 09:53:34

1 Analytics keeps track of origin of a visit to your
2 website?

3 A. I don't -- please -- please rephrase the
4 question or restate the question.

5 Q. Sure. Do you know how Google Analytics 10:31:12
6 keeps track of from what website the person who is
7 coming to your website came?

8 MR. GIGNAC: Objection. The question is
9 vague and ambiguous.

10 But you can go ahead and answer.

10:31:25

11 THE WITNESS: I don't know.

12 BY MR. GUTKIN:

13 Q. So, for example, if somebody got to your
14 website by clicking on your ad from facebook.com, do
15 you know how Google Analytics keeps track of the 10:31:47
16 fact that the visit to your website came from your
17 Facebook ad?

18 MR. GIGNAC: Objection: lacks foundation,
19 but you can answer if you know.

20 THE WITNESS: Technically how they do it I 10:31:56
21 do not know.

22 BY MR. GUTKIN:

23 Q. Are you aware even that they provide that
24 feature where they track the source from which --

25 A. Yes. 10:32:08

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1 Q. -- a visit to your website came?

2 A. Yes.

3 Q. But you don't know how they do it?

4 MR. GIGNAC: Objection: asked and answered.

5 Go ahead.

10:32:19

6 THE WITNESS: I know it has something to do
7 with the code that you insert on your website.

8 BY MR. GUTKIN:

9 Q. Does StatCounter to your knowledge provide
10 that same feature where it gives you information
11 about how someone got to your website? 10:32:50

12 A. Yes.

13 Q. And do you know how StatCounter does that?

14 A. Again, it has to do with the code that you
15 place on your website. 10:33:03

16 Q. Do you know anything beyond that?

17 A. No.

18 Q. Did you at any time for either Google
19 Analytics or StatCounter run reports to determine
20 how people were getting to your website? 10:33:17

21 A. Yes.

22 Q. What did those reports show? Just give a
23 high-level summary is fine.

24 A. A basic report from Google Analytics would
25 show how many visits you had. You could run another 10:33:35

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1 report that could show you the basic city
2 geographical area that it came from.

3 StatCounter was -- provided more detail. It
4 would actually show you the page string or URL with
5 which that particular user came to your website 10:34:04
6 from.

7 Q. Is Google Analytics to your knowledge
8 capable of giving you that URL information also?

9 A. I don't know.

10 Q. You used both Google Analytics and 10:34:16
11 StatCounter to analyze how many page views you had
12 that originated from the Facebook website; is that
13 correct?

14 A. Yes.

15 Q. When you did that, did you do anything in 10:34:35
16 either Google Analytics or StatCounter to limit the
17 page views you were looking at to those that came
18 from something related to Facebook?

19 A. Please restate the question.

20 Q. Sure. Let's just do them one at a time. 10:34:55

21 A. Okay.

22 Q. You ran reports from Google Analytics,
23 correct?

24 A. Yes.

25 Q. When you were running that report, did you 10:35:02

1 ask Google Analytics to limit the reported page
2 views to those that came from Facebook.com?

3 A. No.

4 Q. Did you ask it to limit the page views in
5 any way? 10:35:20

6 A. No.

7 Q. So to your knowledge you were looking at a
8 report of all page views tracked by Google
9 Analytics?

10 A. Yes. 10:35:29

11 Q. And how do you know that?

12 A. We also were testing at the same time from
13 different computers and our test also showed in the
14 analytics.

15 Q. I think you are answering the question of 10:35:49
16 how you knew Google Analytics was working. I was
17 more asking how do you know that the report that you
18 asked Google Analytics to run was capturing all page
19 views and not only page views from a certain domain
20 name? 10:36:06

21 A. I don't know.

22 Q. Do you know, for example, where the button
23 is that you click to limit page views to those from
24 a certain domain name and the Google Analytics
25 reporting tool? 10:36:24

1 A. No.

2 Q. Do you know one way or the other whether the
3 reports you were looking at were, in fact, limited
4 to only those originating from a certain domain
5 name?

10:36:36

6 A. I know they were not limited in any way
7 because I was able to see that click-throughs, which
8 I did, and the time that I did them were showing up
9 in the analytics, in the reporting.

10 Q. Were you able to see -- did you test using
11 click-throughs from your Facebook ad to see if those
12 showed up in Google Analytics?

10:36:55

13 A. Yes.

14 Q. So you went onto the Facebook site, clicked
15 on your ad and were referred to your landing page,
16 then confirmed that that particular click-through
17 was counted in Google Analytics?

10:37:09

18 A. Yes.

19 Q. When did you do that?

20 A. I don't remember.

10:37:27

21 Q. Was it just once or did you do that
22 regularly?

23 A. More than once.

24 Q. Were you -- if you recall, were you with
25 Mr. Bansal when you did this or just on your own

10:37:38

1 testing the system?

2 A. I don't recollect.

3 Q. What about on StatCounter? On StatCounter
4 did you go to Facebook, click on your ad, and arrive
5 at your landing page, then confirm that that click 10:38:08
6 was counted in StatCounter?

7 A. I don't remember.

8 Q. Do you know in the StatCounter program how
9 to limit the page views that appear on a report to a
10 particular domain name that's referred? 10:38:26

11 A. No.

12 Q. Are you able to say one way or the other
13 whether the StatCounter reports that you reviewed
14 were limited in some way by the domain names from
15 which those page views originated? 10:38:41

16 MR. GIGNAC: Object to the question. It's
17 vague and ambiguous.

18 You can answer if you understand.

19 THE WITNESS: They were not limited because
20 of the vast variety of locations that were shown on 10:38:53
21 the reports.

22 BY MR. GUTKIN:

23 Q. When you say "locations," do you mean URLs?

24 A. Yes.

25 Q. I want to get some more background on your 10:39:23

1 understanding of this document is that you created
2 three additional cost per click ads first on June
3 18th, 2009, July 30th, 2009, and then August 3rd,
4 2009. Does that match your recollection of the ads
5 that you purchased from Facebook?

11:07:54

6 MR. GIGNAC: Did you say cost per
7 impression?

8 MR. GUTKIN: If I did, I misspoke.

9 MR. GIGNAC: I think you did.

10 MR. GUTKIN: I may have. I meant cost per 11:08:02
11 click.

12 MR. GIGNAC: Did he say -- he means cost per
13 click anyway.

14 MR. GUTKIN: I think the record says.

15 Q. But I meant cost per click. 11:08:11

16 A. So?

17 Q. Why don't I ask again.

18 Does it match your recollection that you
19 created three additional cost per click ads on June
20 18th, 2009, then July 30th, 2009, and August 3rd, 11:08:23
21 2009?

22 A. I don't recollect the exact dates.

23 Q. Any reason to dispute that this is correct,
24 this record?

25 A. No. 11:08:38

1 who got to your site through your Facebook ad?

2 A. I'm not trying to be difficult, I just --
3 can you -- can you state it maybe one more time a
4 slightly different way or something?

5 Q. When you kept -- when you had records of the 11:10:55
6 people who transacted people on the website, were
7 you able to determine which of those people got to
8 your site through your Facebook ad?

9 A. On the conversion side or just getting to
10 the site? 11:11:11

11 Q. On the conversion side.

12 A. No.

13 Q. So you don't know what percentage of the
14 people who clicked on your Facebook ad and got to
15 your landing page transacted business versus did not 11:11:29
16 transact business?

17 A. Actually, I do.

18 Q. Okay. How do you know that?

19 A. Because there were none.

20 Q. How do you know there were none? 11:11:40

21 A. Because the system would have -- as I said
22 before, if there was a consummation of any sort
23 between a seller and buyer, potential seller and
24 buyer, it generates a notification.

25 Q. I see. So no one using the words that we've 11:11:56

1 been using, no one at all transacted business on the
2 drivedownprices.com website?

3 A. Correct.

4 Q. No seller and buyer made the connection that
5 the website was designed to allow them to make? 11:12:11

6 A. Correct.

7 Q. Do you have a rough sense sitting here today
8 of on average over the time that the website was
9 online how many people per day were visiting the
10 website? 11:12:32

11 A. No.

12 Q. Not even an approximate? Approximately 50?
13 Approximately 200? Nothing at all like that?

14 A. No.

15 Q. Do you have records that would show that? 11:12:44

16 A. I believe that we've produced them already.
17 Those are indicated in the spreadsheets.

18 Q. Is that -- do the -- I mean, some of the --
19 I apologize if I'm a step behind. Some of the
20 spreadsheets you're referring to are probably the 11:13:07
21 ones that I received this morning. But in the
22 Google Analytics report, for example, does that
23 track all visits to the drivetdownprices.com website
24 that ever occurred?

25 A. Yes. 11:13:25

1 A. Yes.

2 Q. Did you see any -- you said before that you
3 reviewed the pages you saw on the website and the
4 Help Center.

5 A. Uh-huh.

11:23:18

6 Q. Did you feel that you reviewed all of those
7 pages or some of them or most of them? How would
8 you characterize it?

9 A. I reviewed the elements that I felt were
10 important to making a decision on primarily the
11 advertising portion of it. So anything that defined
12 or helped me understand what and how I would be
13 potentially charged, what limitations there were, I
14 would say that I -- without full recollection, I
15 read probably more than half.

11:23:39

16 Q. And did you see anything in those pages that
17 indicated to you that Facebook would try to detect
18 invalid clicks and avoid charging you for them but
19 that Facebook was not guaranteeing that it could
20 identify all invalid clicks?

11:24:24

21 A. Yes.

22 Q. What did you see along those lines?

23 A. There were statements made that there
24 potentially could be fraudulent or in -- fraudulent
25 clicks where entities were attempting to run up

11:24:42

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1 (At the hour of 1:37 p.m. the following
2 proceedings were had at the same place with the same
3 persons present:)

4

5 VIDEO OPERATOR: The time is 1:37 p.m. We 01:37:16
6 are back on the record.

7

8 EXAMINATION (Resumed)

9 BY MR. GUTKIN:

10 Q. Mr. Price, would it be fair to say that your 01:37:32
11 sole basis for believing that you were improperly
12 charged for invalid clicks is the difference between
13 your bills from Facebook compared to your Google
14 Analytics and StatCounter reports?

15 A. Yes. 01:37:54

16 Q. So there's nothing else -- just so I'm
17 clear -- there's nothing else that your -- that
18 caused you to sue -- there was no other information
19 you had that led you to believe that you were
20 overcharged and that led you to sue Facebook? 01:38:05

21 A. Yes.

22 Q. Do you know -- have you ever used either
23 Google Analytics or StatCounter outside of using
24 them for drivdownprices.com?

25 A. Yes. 01:38:35

1 BY MR. GUTKIN:

2 Q. Okay. That's fine. So they were -- they're
3 both reporting how many referrals from Facebook
4 drivedownprices.com received on June 5th, 2009,
5 correct? 02:56:07

6 A. Yes.

7 Q. And they -- there is an objective true
8 number of referrals from Facebook that
9 drivedownprices.com received on that date, correct?

10 MS. KIM: Objection: asked and answered. 02:56:21

11 MR. GIGNAC: You don't get to object.

12 Sorry, but thank you.

13 BY MR. GUTKIN:

14 Q. You can answer.

15 A. Okay. For the sake of argument let's say I 02:56:32
16 would say that I would give the higher of the two to
17 be in favor of the number of potential visits that
18 took place.

19 Q. We discussed -- I asked you earlier today
20 whether your only basis for believing that Facebook 02:57:06
21 overcharged you for invalid clicks was the results
22 you got from these two tools and you agreed that was
23 your only basis for that belief, didn't you?

24 A. Yes.

25 Q. But this actually shows that the two tools 02:57:24

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1 correct and accurate count of the number of
2 referrals to drivedownprices.com from Facebook that
3 day? Is that possible?

4 MR. GIGNAC: Objection: lacks foundation,
5 calls for speculation.

03:00:29

6 But go ahead.

7 THE WITNESS: Again, how they're counting
8 click-through may have -- may be different for my
9 sake of what I understand the greater of the two
10 numbers would be, the one that I would accept as
11 being more accurate.

03:00:55

12 BY MR. GUTKIN:

13 Q. Why?

14 A. Why not?

15 Q. Isn't your lawsuit against my client
16 premised on the assumption that these numbers are
17 accurate?

03:01:06

18 A. To some degree, yes.

19 Q. To some degree. You testified earlier that
20 these numbers are the only basis for your belief
21 that Facebook has overcharged you.

03:01:22

22 A. Yes.

23 Q. What do you mean by "to some degree"?

24 A. I'm trusting the feedback from these two
25 organizations.

03:01:35